



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 17, 1997

H.R. 2343

A bill to terminate the Thrift Depositor Protection Oversight Board, and for other purposes

*As ordered reported by the House Committee on Banking and Financial Services
on September 9, 1997*

H.R. 2343 would dissolve the Thrift Depositor Protection Oversight Board and transfer its remaining responsibilities to the Department of the Treasury. The bill would also reduce from four to two the number of annual meetings the Affordable Housing Advisory Board must hold each year. CBO estimates that enacting H.R. 2343 would result in savings of about \$250,000 annually. Because the bill would affect direct spending, pay-as-you-go procedures would apply. H.R. 2343 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

Current law requires the Oversight Board to monitor the operations and to provide funding for the Resolution Trust Corporation (RTC). The RTC was a temporary agency established to resolve thrift failures beginning in 1989. In late 1995 the RTC was dissolved and its remaining assets transferred to the Federal Deposit Insurance Corporation. The Oversight Board now retains responsibility for only two functions. The first is to oversee operations of the Resolution Funding Corporation (REFCORP), which issued bonds totaling \$30 billion from 1989 to 1991 as part of RTC's initial funding. Second, the Oversight Board also retains a nonvoting membership, through the end of 1998, on the Affordable Housing Advisory Board. By terminating the Oversight Board, the bill would eliminate the annual costs for the one employee of the board who prepares periodic reports required of all distinct entities of the government and performs other routine functions.

Based on information from the Treasury, transferring the statutory responsibilities of the Oversight Board to the Treasury would result in savings of about \$250,000 annually and no significant additional cost to the Treasury. Because the Board has authority to pay its

expenses without further appropriation, enacting the bill would reduce direct spending by an estimated \$250,000 annually. Spending by the Treasury to carry out the routine functions of the Oversight Board would be subject to appropriation, and is expected to be minimal in any case. Reducing the number of times the Affordable Housing Advisory Board must meet annually is not expected to result in any significant savings.

The CBO staff contact for this estimate is Mary Maginniss. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.